



ADOPTION OF E-WALLET BY SMALL SCALE RETAILERS-A POST DEMONETISATION STUDY IN WARANGAL DISTRICT, TELANGANA STATE

Dr. P. V Srikala

Assistant Professor, Department of Commerce & Business Management, Chaitanya Institute of Science & Technology (Deemed to be University) Warangal, Telangana state, India.

ABSTRACT Demonetization decision coupled with government's initiative to make India a cashless economy is expected to bring a phenomenal transformation in the way people make payments and expected to increase inclination towards online payment. Among the various modes of online payments the mode gaining popularity during present time is E-wallets. In India larger people prefer cash payments rather than digital transactions. My study tries to observe the factors that influence & also prevent the use of E-wallet in Warangal district, during the post demonetization period. This paper also tries to analyse impact of various demographic factors on usage of E-wallets & impact of demonetisation on usage behaviour towards online business transactions etc. The study is based on 160 valid responses received through a structured questionnaire. Data collected was analyzed by using percentages and statistical tools like ANOVA.

KEYWORDS : E-wallet, Demonetization, Online Payment, Digital transaction.

1. INTRODUCTION

When P.M Modi announced that Rs with the denomination of 500/- and 1000/- would cease to be the legal tender from 9th of Nov, the whole country was stunned. This decision caused sensation in the whole country. The main objective of this move was to curb the black money, corruption and fake money menace and a shift towards cashless economy. In a country like India where E-commerce and online shopping is growing by leaps & bounds after demonetization decision the number of transactions through E-wallets has increased.

E-wallets

E-wallets' is a type of electronic card which is used for transactions made online through a computer or a smartphone. Its utility is same as a credit or debit card. An E-wallet needs to be linked with the individual's bank account to make payments. It is a system that store person's payment information. Digital means it exists purely electronically. It is a secure online wallet. The term is short for electronic wallet, i.e. e- wallet stands for electronic. We also call it a digital wallet.

Small-scale retailers

Small-scale retailers are also called fixed shop retailers. These retailers run small shops that deal with miscellaneous products of daily use & shops that sell particular products of various varieties. They have fixed shops of their own & hold small stocks located in market areas or residential places. They have got limited products to deal with like vegetables, fruits, stationary etc. General stores also come under these categories.

2. Review of Literature

Impact of Digitalisation on Economy in India- Review of Literature, Bhajneet Kaur & Mohan Kumar (April 2019). This paper provides the information based on the previous research. This paper collected the information related to the effect of digitalisation & information & communication on the economy in India. This review paper collected the information regarding changes in prices, unemployment, GDP, FDI & infrastructureetc.

Adoption of E-wallets: A Post Demonetisation Study in Ahmedabad City--Dr. Jasmin Padiya & Dr. Jasmin Padiya, (April 2018) This Study indicated that main reasons for low performance of E-wallet as a mode of payment are tendency of people to do not move out of comfort of using traditional mode of payments, privacy concerns and threat to security. E-wallet users give very high level of importance to attributes like security, privacy concerns and pricing (Fees). The major problems frequently encountered by the respondents while using E-wallet are long transaction time taken by E-wallet for processing the transaction, security breach and delayed payment. Mobile Wallet service Utilisation in government of India has contributed immensely towards awareness, usage and acceptance of online payment.

Adoption of Digital Wallets By Petty Vendors Postdemonetisation In India: A Prediction Approach Tiwari Trisha, Dr. Iyer Lakshmi

Shankar, Jan 2018. The study brings out a model for predicting vendors' decision to switch to digital wallets for payments. An empirical approach was adopted to collect data about demographic and purchase behaviour from a sample of 223 petty vendors in two Indian cities. Decision Tree algorithm was adopted under classification approach to predict the switching behaviour of vendors to digital wallets. The study examined the benefits and challenges experienced by petty vendors while adopting digital wallet as a payment method. The study validated the fact from literature that demographics and infrastructural capabilities have an impact on technology adoption by citizens. The study was conducted during the cash crunch soon after demonetisation. The study brings out factors that will impact the adoption of digital wallets by petty vendors. The results would help Governments build infrastructural capabilities to motivate citizens adopt digital payments. The challenges highlighted in the study could be looked into and changes brought into the ecosystem of payments to promote cashless payment improving transparency in transactions. The study is one of its kinds where classification approach is adopted to predict the switching behaviour of citizens towards digital wallets.

Impact of Digitalization in Economy and the effects of Demonetization. Dr. Mansi Shukla, Ms. Shilpi Bose 2017. The digitalization is not simply regarding concerning the business dealing from face to face to on-line, however it's concerning transformation of several sides of the business interactions and dealings and fragmented up into innovations too. Growing technology advances, larger purchaser power and increased competition mean all industries face the threat of development. India stands on the sting of growth in web and ecommerce activity. The digital economy has modified the operating of business in today's world.

3. METHODOLOGY

This research paper is aimed at examining the adoption of E- wallets as a mode of business transaction by small-scale retailers in Warangal district and to ascertain the factors encouraging and discouraging the usage of E-wallets during the post demonetization period. This paper also throws light on the influence of various demographic variables on E-wallet utilisation. The study has been conducted in Warangal district where large number of retailers running their business at small-scale. In this paper try has been made to find out how many of these switched to digital transactions during the post demonetization period. Study is based on primary data collected through a structured questionnaire. Data collected was analyzed by using percentages and statistical tool like ANOVA.

4. OBJECTIVES OF THE STUDY

1. To study the factors influencing the adoption of E-wallet.
2. To study factors refraining the usage of E-wallets
3. To examine association of various demographic variables on usage of E-wallets.
4. To study the impact of demonetization on preference for the online transactions.

5. Hypotheses

H0: There is no significant association between influence of various

factors and adoption of E-wallets.

H0: There is no significant relationship between various demographic factors and adoption of E-wallets.

5. Data Analysis and Interpretation

Table-1 Usage of E-wallet

Utilisation of E-wallet	Frequency	Percent
Yes	116	72.5
No	44	27.5
Total	160	100.0

(Source: Compiled from primary data collected through structured Questionnaire)

The above table - 1 reveals that more than 72 percent small-scale retailers were using E-wallets as mode of transaction in Warangal district. This represents good adoption level of E-wallet by respondents.

Table-2 Reasons of not using E-wallet

Reasons of not using E-wallet	Frequency	Percent
Slow internet availability	39	24.4
Not having interest	14	8.8
Prefer to use usual transaction method	46	28.7
lack of knowledge	29	18.1
Security problems	32	20.0
Total	160	100.0

(Source: Compiled from primary data collected through structured Questionnaire)

Finding in table-2, suggests that major reason for not using E-wallet is "Resistance to change". Majority of small scale retailers would not like to move out of comfort zone of using traditional mode of cash transactions. The other reasons are slow internet availability, lack of knowledge, not having interest & security problems.

Table-3 Factors influencing the use of E-wallet

Frequency	Percent	Percent
Time saving	16	10.0
Customers' Preference	72	45.0
Security	41	25.6
Privacy	31	19.4
Total	160	100.0

(Source: Compiled from primary data collected through structured Questionnaire)

Data in table-3 provides the information about the factors that influence/encourage the use of E-wallets by the retailers. Majority i.e. 45% of the respondents replied that they were using E-wallet because customers prefer it next goes to security (25.6%) & privacy (19.4%).

Table-4 Impact of demonetisation on usage behaviour towards online business transactions

Statement	Frequency	Percent
I was not making online business transactions before demonetisation; I started doing it after demonetisation	89	55.6
I was making online business transactions before demonetisation also; but I increased the frequency of it after demonetisation,	28	17.5
I was not making online business transactions before demonetisation; I am also not making it after demonetisation.	21	13.12
I was making online business transactions before demonetisation; I am making it with same frequency even after demonetisation.	22	13.75

(Source: Compiled from primary data collected through structured Questionnaire)

The above table-4 clearly depicts that a very significant percentage (55.6%) of the respondents have started making online business transactions after demonetisation. Further (17.5%) have increased their frequency of using it. Thus above data clearly depicts the contribution of demonetisation towards the use of digital transactions

by small-scale retailers. But more than 13% of the respondents who are doing small scale business are still using traditional method of cash transactions.

Table-5 One Way ANOVA - Influence of various factors & adoption of E-wallet

One Way ANOVA - Influence of various factors & adoption of E-wallet					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	22.334	3	7.445	121.408	.000
Within Groups	9.566	156	.061		
Total	31.900	159			

Data in table -5 shows the result of ANOVA test conducted to study the association between influence of various factors & adoption of E-wallet by the small vendors. Result of ANOVA test indicates that at 5% significance level there is a significant association between influence of various factors & adoption of E-wallet by the respondents.

Table-6 One Way ANOVA -Demographic Profile & Reasons for not utilising E-wallet.

ONE WAY ANOVA - Demographic Profile-Reasons for not utilising of E-wallet						
		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	10.353	4	2.588	16.449	.000
	Within Groups	24.390	155	.157		
	Total	34.744	159			
Age	Between Groups	55.615	4	13.904	24.357	.000
	Within Groups	88.479	155	.571		
	Total	144.094	159			
Location	Between Groups	4.678	4	1.169	5.224	.001
	Within Groups	34.697	155	.224		
	Total	39.375	159			
Education	Between Groups	33.495	4	8.374	14.599	.000
	Within Groups	88.905	155	.574		
	Total	122.400	159			

Data in table -6 shows the result of ANOVA test conducted to study the association between demographic profile & reasons for not utilising E-wallet by the respondents. Result of ANOVA test indicates that at 5% significance level there is a significant association between demographic profile & reasons for not utilising E-wallet by small-scale retailers.

5. Finding of the study

- A very significant percentage (55.6%) of the respondents has started making online business transactions after demonetisation.
- Major reason for not using E-wallet is "Resistance to change". Majority of small-scale retailers would not like to move out of comfort zone of using traditional mode of cash transactions.
- Majority i.e 45% of the respondents replied that they prefer E-wallet because customers prefer it next goes to security (25.6%) & privacy (19.4%).
- Demographic factors have positive impact on the utilisation of E-wallet.

6. CONCLUSIONS

- The study found that respondents demographic profile have positive impact on utilisation of E-wallet. Hence improved technical knowledge regarding online payments, digital wallets transactions etc needs to be provided by the government. This will help the user achieve technology sophistication.
- The main reason which discourages the small-scale retailers to adopt digital transaction is slow internet facilities to avoid this problem digital wallet companies, telecom service providers & government could take necessary steps to provide high speed internet facilities across the country for faster transactions.

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